

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA
SAN JOSE DIVISION

SECURITIES AND EXCHANGE
COMMISSION,

Plaintiff,

v.

GLR CAPITAL MANAGEMENT, LLC,
GLR ADVISORS, LLC, JOHN A.
GERINGER, CHRISTOPHER A. LUCK,
and KEITH E. RODE;

Defendants,

and

GLR GROWTH FUND, L.P.,

Relief Defendant.

CASE NO. CV12-02663 (EJD)

~~PROPOSED~~ ORDER APPOINTING
SPECIAL MASTER

Judge: Edward J. Davila

1 The Court having received and reviewed the proposed candidates for appointment as a
 2 special master in this matter for the purpose of preparing the 2012 and 2013 tax returns of the
 3 Relief Defendant GLR Growth Fund, LP (the "Fund") (Dkts. 139, 140, 143) and other duties that
 4 may arise, and after hearings on January 27, February 3 and February 5, 2014, and good cause
 5 appearing therefor:

6 1. **IT IS HEREBY ORDERED** that Mr. Gregory Sterling is appointed by the Court
 7 as Special Master in this matter:

8 2. **IT IS HEREBY ORDERED** that Mr. Joseph Alberro and the accounting firm of
 9 Frank, Rimerman + Co. LLP are appointed by the Court as the accountants to assist the Special
 10 Master in this matter ("Accountants").

11 3. **IT IS HEREBY ORDERED** that the duties of the Special Master, as assisted by
 12 the Accountants, are as follows:

- 13 A. Prepare 2012 and 2013 tax returns for the Fund.
- 14 B. Execute the tax returns on behalf of the Fund, file them with the
 15 appropriate taxing agencies, and mail copies of the appropriate tax returns
 16 to the investors of the Fund.
- 17 C. Negotiate with tax authorities for abatement of penalties due to the
 18 circumstances of this case and the desire to not prejudice investors.
- 19 D. Such other and further duties as may be ordered by the Court.

20 4. **IT IS HEREBY ORDERED** that the Special Master and Accountants shall, to the
 21 best of his/her ability, prepare the Fund's 2012 and 2013 tax returns in conformance with normal
 22 accounting practices, but the Special Master and Accountants and his/her firm shall have no
 23 personal liability for the truthfulness or authenticity of the financial information provided by the
 24 Fund or obtained from records of the Fund for the purposes of preparing, signing, filing, and
 25 mailing the tax returns of the Fund.

26 5. **IT IS HEREBY ORDERED** that the Special Master and Accountants and his/her
 27 firm shall charge at his/her normal hourly rate(s) and that the Fund shall pay the Special Master's
 28 and Accountants' fees and expenses for the preparation of the Fund's 2012 and 2013 tax returns,

1 subject to the approval of this Court (*see* Dkts. 139, 140), except that (a) the fee rates of the
 2 Accountants shall be capped at a highest rate not to exceed \$495 per hour, with their other rates in
 3 accordance with their normal rate chart, and (b) the Special Master shall review the Accountants'
 4 fee billings and shall promptly submit them to the Court, for payment subject to the approval of
 5 the Court.

6 6. **IT IS HEREBY ORDERED** that the Fund shall pay all necessary and reasonable
 7 fees and expenses charged by the Special Master and Accountants and his/her firm for preparing,
 8 reviewing, filing, and mailing of tax returns of the Fund, subject to the approval of this Court.

9 7. **IT IS HEREBY ORDERED** that, subject to the approval of this Court, the
 10 Special Master is empowered to hire his/her own legal counsel should the Special Master
 11 conclude, in his/her own professional discretion, that the Special Master needs legal advice
 12 beyond his/her own legal knowledge; any legal fees incurred by the Special Master shall be
 13 included in his/her billings and shall be reimbursed by the Fund, subject to the approval of this
 14 Court.

15 8. **IT IS HEREBY ORDERED** that the Special Master and Accountants have
 16 access to the documents and records concerning the Fund in the possession, custody, or control of
 17 the Securities and Exchange Commission ("SEC") that may be reasonably necessary to prepare
 18 and file the tax returns of the Fund, provided the Special Master and the Accountants agree to
 19 comply with the SEC's policy regarding access to non-public information, and specifically that
 20 the Special Master and Accountants establish and maintain such safeguards as are necessary and
 21 appropriate to protect the confidentiality of the information, documents, and information derived
 22 from such documents to which access is granted. Other than as set forth above, the Special
 23 Master and Accountants will:

24 A. Make no public use of these files or information without prior approval of the
 25 SEC;

26 B. Notify the SEC of any legally enforceable demand for the files or information
 27 prior to complying with the demand, and assert such legal exemptions or privileges on the SEC's
 28 behalf as the SEC may request; and

1 C. Not grant any other demand or request for the files or information without prior
2 notice to and lack of objection by the SEC.

3 9. **IT IS HEREBY ORDERED** that the Special Master and Accountants shall
4 follow as guidelines the "Billing Instructions For Receivers In Civil Actions Commenced By The
5 U.S. Securities And Exchange Commission" ("Guidelines") attached hereto as Exhibit 1. The
6 Court recognizes that the duties of the Special Master and Accountants are narrower than the
7 receiver duties set forth in the Guidelines, and that therefore not all provisions of the Guidelines
8 are literally applicable to the Special Master and Accountants, but the Court expects that the
9 Special Master and Accountants shall follow the Guidelines to the extent practicable and
10 applicable to their duties, and consistent with the Court's concern for efficient work and
11 preservation of capital for the benefit of investors.

12 10. **IT IS HEREBY ORDERED** that the Court shall supervise the performance of
13 this Order and will adjudicate any disputes or disagreements, if any, concerning the performance
14 or interpretation of this Order.

15
16 **IT IS SO ORDERED.**

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18 Dated: February 11, 2014



THE HONORABLE EDWARD J. DAVILA
United States District Judge